



6712-01

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 1, 27

[WT Docket No. 18-120; DA 19-1184; FRS 1685]

Comment Sought on Small Business Size Standards for Auctions of Licenses in the 2.5 GHz Band

AGENCY: Federal Communications Commission.

ACTION: Comments invited on small business size standards.

SUMMARY: In this document, the Wireless Telecommunications Bureau (WTB) and the Office of Economics and Analytics (OEA) seek comment on the small business size standards to be used to determine an entity's eligibility for small business bidding credits in an auction of unassigned Educational Broadband Service (EBS) spectrum in the 2.5 GHz band.

DATES: Comments are due on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN FEDERAL REGISTER]**, and reply comments are due on or before **[INSERT DATE 45 DAYS AFTER DATE PUBLICATION IN FEDERAL REGISTER]**.

ADDRESSES: Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (May 1, 1998). All filings in response to the 2.5 GHz Small Business Size Standards Public Notice must refer to WT Docket No. 18-120. The Commission strongly encourages interested parties to file comments electronically.

Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <https://www.fcc.gov/ecfs/>. Filers should follow the instructions provided on the website for submitting comments. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket number, WT Docket No. 18-120.

Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or

messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St. SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.

U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street SW., Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Mary Lovejoy in the Auctions Division of the Office of Economics and Analytics at (202) 418-0660.

SUPPLEMENTARY INFORMATION: This is a summary of the Public Notice ([2.5 GHz Small Business Size Standards Public Notice](#)), WT Docket No. 18-120, DA 19-1184, released on November 15, 2019. The complete text of the [2.5 GHz Small Business Size Standards Public Notice](#) is available for public inspection and copying from 8:00 a.m. to 4:30 p.m. Eastern Time (ET) Monday through Thursday or from 8:00 a.m. to 11:30 a.m. ET on Fridays in the FCC Reference Information Center, 445 12th Street SW, Room CY-A257, Washington, DC 20554. The complete text is also available on the Commission's website at www.fcc.gov/auctions or by using the search function for WT Docket No. 18-120 on the Commission's ECFS web page at www.fcc.gov/ecfs. Alternative formats are available to persons with disabilities by sending an email to FCC504@fcc.gov or by calling the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY). Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document.

1. In the [2.5 GHz Small Business Size Standards Public Notice](#), the WTB and OEA seek

comment on the small business size standards to be used to determine an entity's eligibility for small business bidding credits in an auction of unassigned Educational Broadband Service (EBS) spectrum in the 2.5 GHz band. In the 2.5 GHz Report and Order, 84 FR 57343, October 25, 2019, the Commission modernized the regulatory framework for the 2.5 GHz band to make this swath of vital mid-band spectrum available for advanced wireless services, including 5G, with unassigned spectrum to be made available for commercial use via competitive bidding following the completion of a Rural Tribal priority filing window. In so doing, the Commission adopted small business size standards and associated bidding credits for new EBS licenses to improve the ability of small businesses to attract the capital necessary to participate meaningfully in the auction of 2.5 GHz spectrum.

2. The Notice of Proposed Rulemaking (NPRM) in this proceeding, 83 FR 26396, June 7, 2018, proposed to conduct any auction of EBS licenses in conformity with the Commission's Part 1 competitive bidding rules. The NPRM also proposed not to apply designated entity preferences in such auctions, and accordingly did not propose any small business size standards under which qualifying small businesses would receive bidding credits. In comments and ex parte letters submitted in response to the NPRM, several parties supported the adoption of bidding credits in an EBS auction to encourage the participation of small service providers. Upon consideration of the record in this proceeding, the Commission concluded that using bidding credits in competitive bidding for EBS licenses in the 2.5 GHz band would be an effective tool to achieve the statutory objective of promoting the participation of designated entities in the provision of spectrum-based services. Noting that the removal of the eligibility restriction and educational use requirements will attract more commercial operators to the 2.5 GHz band, the Commission found that bidding credits should help facilitate greater participation in any auction of EBS licenses and that offering bidding credits to designated entities should improve the ability of small businesses to attract the capital necessary to meaningfully participate in such an auction. Thus, the 2.5 GHz Report and Order adopted small business size standards and associated bidding credits for new EBS licenses.

3. A Federal department or agency that adopts a size standard for categorizing a business

concern as a small business is required to consult with the Small Business Administration (SBA) prior to proposing the size standard for public comment and subsequently, it is required to obtain the SBA Administrator's approval of the size standard. In this proceeding, because the NPRM did not propose to apply designated entity preferences in auctions of new EBS licenses in the 2.5 GHz band, the NPRM did not propose any size standards under which qualifying small businesses would receive bidding credits. Therefore, the Commission did not consult with the SBA regarding proposed size standards for new EBS licenses in the 2.5 GHz band. However, in the 2.5 GHz Report and Order, the Commission directed the WTB, in conjunction with OEA, to seek further comment on the two adopted small business size standards and to consult with the SBA and obtain its approval of the adopted size standards in advance of any auction of 2.5 GHz EBS overlay licenses, as required by law.

4. Accordingly, we seek comment on the definitions of a "small business" as an entity that, together with its affiliates, its controlling interests, and the affiliates of its controlling interests, has average gross revenues that are not more than \$55 million for the preceding five years, and a "very small business" as an entity that, together with its affiliates, its controlling interests, and the affiliates of its controlling interests, has average gross revenues that are not more than \$20 million for the preceding five years. Pursuant to the 2.5 GHz Report and Order, a winning bidder in an auction of EBS licenses that qualifies as a "small business" would be eligible for a 15% bidding credit, and a winning bidder qualifying as a "very small business" would be eligible for a 25% bidding credit.

5. Copies of the comments and replies filed in response to the 2.5 GHz Small Business Size Standards Public Notice will be provided to the SBA consistent with SBA procedures for approval of size standards prescribed by Federal departments and agencies

6. Ex Parte Rules. This proceeding has been designated as a "permit-but-disclose" proceeding in accordance with the Commission's ex parte rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation

must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

Federal Communications Commission.

William Huber,

Associate Chief, Auctions Division, Office of Economics and Analytics.

[FR Doc. 2019-27425 Filed: 12/18/2019 8:45 am; Publication Date: 12/19/2019]